



**Sitara Chemical
Industries Limited**

EXCELLENCE, QUALITY, TRUST.

Corporate Briefing Session

**Financial Year: 2022-23 &
1st Quarter FY 2023-24**

Date: November 20, 2023



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Company Brief / Profile



- Sitara Chemical Industries Limited (SCIL) incorporated in **September 08, 1981** as public limited company under Companies Act, 1913.
- Company got listing in Karachi Stock Exchange in **June 10, 1987** and has corporate symbol “SITC”
- Company is a Shariah Compliant Company certified by SECP since **March 14, 2019** under Shariah Governance Regulations 2018.
- Company is the largest Chlor-Alkali based chemical complex in Pakistan having Caustic soda manufacturing capacity of **630** MT per day.

Company Brief / Profile

- Chemical division has also a European Technology based Soap Noodles manufacturing plant having production capacity of **34,000 M. Ton** per year.
- Textile segment of the company has installed capacity of **28,512** number of spindles for producing quality yarn. Company has also marketed its own suiting brand **“Rajah’s”**
- Company also has two independent power plants to meet its energy requirements:
 - (1) Gas Fired Power Plant having rated capacity of **29.5** MW.
 - (2) Coal Fired Power Plant having rated capacity of **38.5** MW.

Board of Directors

Chairman

Mr. Ahmad Hassan (Independent Director)

Chief Executive Officer
Directors

Mr. Muhammad Adrees (Executive Director)

Mr. Haseeb Ahmad (Executive Director)

Mr. Haroon Ahmad Zuberi (Independent Director)

Mr. Ahmad Nawaz (Non-executive Director)

Mr. Najmul Hoda Khan (Non-executive Director)

Mrs. Shala Waheed Sher (Non-executive Director)

Audit Committee

Chairman

Mr. Haroon Ahmad Zuberi

Members

Mr. Najmul Hoda Khan

Mr. Ahmad Nawaz

Human Resource and Remuneration Committee

Chairman

Mr. Ahmad Hassan

Members

Mr. Muhammad Adrees

Mrs. Shala Waheed Sher

Our Products

Basic Chemicals

- Caustic Soda Liquid (32% - 50 %)
- Caustic Soda Flakes
- Sodium Hypochlorite
- Hydrochloric Acid
- Liquid Chlorine
- Bleaching Powder

Gases

- Carbon Dioxide

Oleo Chemicals

- Soap Noodles (80:20 & 90:10)
- Glycerin
- Stearic Acid

Major Specialty Chemicals

- Calcium Chloride (77% & 94%)
- Magnesium Sulphate
- Magnesium Chloride
- Ferric Chloride
- Fly-Ash Bricks and Tuff Tiles

Textile Division

- Yarn
- Fabric (Rajah's)

ECONOMIC CHALLENGES FACED DURING THE YEAR 2022-23

- Decelerated growth due to multiple global factors including the Russia-Ukraine war.
- Unprecedented episode of torrential rains followed by flash flooding at the beginning of the financial year.
- Unprecedented inflation.
- High discount rates. SBP increased policy rate cumulatively by 825 bps during the FY 2023.
- Dwindling Forex Reserves of the country inducing Government to curb imports, which choked LSM sector of economy and recorded a decline of 8.11% against growth of 10.61% in last financial year. Overall GDP growth number remained just at 0.29% (2022: 5.97%).
- Plummeting PKR parity against USD.

Financial Highlights



Financial Performance (FY-2023 Vs. FY-2022)

	<i>Growth FY-2023</i>	Jun-2023	Jun-2022
	<i>(% age)</i>	(Rs. in million)	(Rs. in million)
Revenue from contracts with customers – net	27.1%	27,493	21,626
Gross profit	55.9%	4,480	2,873
<i>Gross profit (%)</i>		16.3%	13.3%
Operating profit (EBIT)	71.9%	3,088	1,796
<i>Operating profit (%)</i>		11.2%	8.3%
Profit before taxation	64.4%	1,476	898
<i>Profit before tax (%)</i>		5.4%	4.2%
Profit after taxation	51.4%	993	656
<i>Profit after tax (%)</i>		3.6%	3.0%
Earnings per share (Rupees)	51.5%	46.35	30.60
Cash dividend per share (Rupees)	25.0%	10.00	8.00

Financial Highlights

Financial Performance (1st Quarter 2024 Vs. 1st Quarter 2023)

	<i>Growth</i> <i>1st Quarter</i> <i>2024</i> <i>(% age)</i>	Sep-2023 (Rs. in million)	Sep-2022 (Rs. in million)
Revenue from contracts with customers – net	46.4%	7,613	5,199
Gross profit	148.4%	1,185	477
<i>Gross profit (%)</i>		15.6%	9.2%
Operating profit (EBIT)	334.4%	821	189
<i>Operating profit (%)</i>		10.8%	3.6%
Profit / (loss) before taxation	276.2%	303	(172)
<i>Profit / (loss) before tax (%)</i>		4.0%	(3.3)%
Profit / (loss) after taxation	218.1%	202	(171)
<i>Profit / (loss) after tax (%)</i>		2.7%	(3.3)%
Earnings / loss per share (Rupees)	217.9%	9.41	(7.98)

Financial Highlights

Financial Position (FY-2023 Vs. FY-2022)

	<i>Increase/ (Decrease)</i> <i>(% age)</i>	Jun-2023 (Rs. in million)	Jun-2022 (Rs. in million)
Property, plant and equipment	6.4%	18,459	17,345
Other non-current assets	16.8%	4,783	4,094
Current assets	5.2%	11,698	11,115
Total Assets	7.3%	34,940	32,554
Equity (including surplus on revaluation of PP&E)	3.5%	16,604	16,038
Non-current liabilities	21.4%	5,827	4,799
Current liabilities	6.8%	12,509	11,717
Total Equity & Liabilities	7.3%	34,940	32,554

Financial Highlights

Financial Position (September 2023 Vs. June 2023)

	<i>Increase/ (Decrease)</i>	Sep-2023	Jun-2023
	<i>(% age)</i>	(Rs. in million)	(Rs. in million)
Property, plant and equipment	4.9%	19,372	18,459
Other non-current assets	(5.9)%	4,501	4,783
Current assets	11.3%	13,021	11,698
Total Assets	5.6%	36,894	34,940
Equity (including surplus on revaluation of PP&E)	1.3%	16,825	16,604
Non-current liabilities	3.9%	6,054	5,827
Current liabilities	12.0%	14,014	12,509
Total Equity & Liabilities	5.6%	36,894	34,940

Expansion of 50 MW Coal Fired Power Plant

- Expansion of coal fired power plant 50 MW is in progress.
- Major BTG Items' LCs (Boiler, Turbine, and Generator) have been opened. Shipment of Generator has arrived at site; part shipments of Boiler have also arrived at site, while shipment of Turbine is expected to arrive in next FY 2024-25.
- Civil work is in progress.
- Partial LCs for remaining Balance of Plant (BoP) Equipment have been opened with banks, while LCs for the remaining BoP items are in progress.
- Project is expected to be completed by June 2025.

Future Outlook

- Unstable commodity & oil prices due to Russia-Ukraine conflict & Israel-Hamas war.
- Increase in energy prices i.e. electricity, RLNG, coal etc.
- Low demand of chemicals and textile products after contraction of global and economic outlook.
- Discount rate may start to decline from the start of 3rd Quarter of FY 2024.
- PKR parity against US\$ depends on continued efforts against hoarders and the success of SBA (Standby Agreement) with IMF.
- Economic and Political stability is expected by the end of 3rd quarter of FY 2024.

*Thank
you*



Sitara Chemical Industries Limited

Question and Answer Session

